



State of Washington
Department of Revenue

Excise Tax Advisory

Excise Tax Advisories (ETA) are interpretive statements issued by the Department of Revenue under authority of RCW 34.05.230. ETAs explain the Department's policy regarding how tax law applies to a specific issue or specific set of facts. They are advisory for taxpayers; however, the Department is bound by these advisories until superseded by Court action, Legislative action, rule adoption, or an amendment to or cancellation of the ETA.

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PRINTING INDUSTRY - Use Tax on Consumable Materials and Supplies

Issued March 1, 1984

What is the measure of the use tax on consumable items produced by commercial printers for their own use as intermediate steps in the production of a final print job?

Printers are often required to produce a series of consumable items for use as intermediate steps in the production of the final print job or publication. Some examples are electronic tapes, layouts, proofs, litho negatives, type in galley or assembled form, and plates or engravings.

The Department of Revenue, in a previous version of this bulletin, was of the view that these articles constituted items of tangible personal property produced for commercial or industrial use. Accordingly, the practice of the Department was to assess use tax on the basis of whether the item was produced for a single use or multiple uses. In the case of single use articles, the measure of the use tax was to be the value of the materials used. In the case of multiple use articles, the measure of the use tax was to be the value of the article used as determined by WAC 458-20-112.

After consulting with printing industry representatives and reviewing the business operations of commercial printers, the Department has re-evaluated its previous position. The Department has determined that when a printer produces these articles as intermediate steps in the production of a final printing job, the printer is engaging in a professional and/or artistic type of service. The articles produced are merely tangible evidence of in-house services necessary in the production of finished printed products sold to customers.

The Department believes that printers are liable for sales or use tax as consumers of the materials used in the production of such articles as an intermediate step in the production of a final printing job.

ETBS have been made Excise Tax Advisories, and have retained their old number. Advisories with a 2 (plus three digits) are new advisories, ETBs that have been revised and readopted after review under the Department's regulatory improvement program, or advisories that have been revised and/or readopted.

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However, since the articles produced for this purpose are the result of professional and/or artistic type services, it is appropriate to consider only the cost of materials in arriving at the measure of the use tax.

For purposes of the use tax application to printers who purchase these articles from another, see ETB 456.08.143.